

1960

CONGRESSIONAL RECORD — SENATE

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Mr. President, I believe the provisions I have outlined constitute a sound approach to the housing problems of our migratory workers. And while it is a good bill in its present form, I certainly hope it will be made even better by the committee when it is taken up for consideration.

It is my earnest hope, Mr. President, that this bill will receive early and favorable consideration by the committee to which it is referred. The migrant workers need legislation of this character. The farmers need it, and we need to see at long last that they get it.

[EXHIBIT 1]

S. 2928

A bill to amend title V of the Housing Act of 1949 to provide financial assistance for the provision of housing and related facilities for migratory farm labor

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title V of the Housing Act of 1949 is amended by adding at the end thereof the following new sections:

"INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR MIGRATORY FARM LABOR

"Sec. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to any person for the purpose of providing housing and related facilities for migratory farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall be insured in an amount in excess of 90 per centum of the estimated value of the structures and facilities with respect to which the loan is made after the construction thereof or the proposed improvements are made;

"(2) no such loan shall be insured if it bears interest at a rate in excess of 6 per centum per annum;

"(3) the borrower shall be required to pay such insurance charges as the Secretary deems proper but not to exceed 1 per centum per annum of the principal amount of the loan;

"(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

"(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

"(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13(b) and (c) of such Act (7 U.S.C. 1005c(b) and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

"(1) the Secretary may utilize the insurance fund to pay taxes, insurance, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

"(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured.

All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

"(3) one-half of all insurance charges shall become a part of the insurance fund. The other half of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

"(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

"(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed \$35 million in any one fiscal year.

"(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.

"(f) As used in this section—

"(1) the term 'housing' means (A) new structures suitable for dwelling use by migratory farm labor, and (B) existing structures which can be made suitable for dwelling use by migratory farm labor by rehabilitation, alteration, conversion, or improvement;

"(2) the term 'related facilities' means (A) new structures suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential service facilities, and (B) existing structures which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement; and

"(3) the term 'person' means any individual, partnership, association, business trust, corporation, or unincorporated organization.

"DIRECT LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR MIGRATORY FARM LABOR

"Sec. 515. (a) The Secretary is authorized to make loans to the owner of any farm, any association of farmers, and any State or political subdivision thereof for the provision of housing and related facilities for migratory farm labor, except that no such loan shall be made unless (A) the applicant shows that he or it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this section, (B) the Secretary finds that the construction will be undertaken in an economical manner, and that it will not be of elaborate or extravagant design or materials, and (C) the applicant agrees that any income in the form of rent derived from housing and related facilities provided under this section shall not exceed an amount necessary to defray reasonable maintenance costs.

"(b) Any loan under this section may be in an amount not exceeding 98 per centum of the total development cost, as determined by the Secretary; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and shall bear interest at a rate determined by him which shall be not more than the higher of (A) 2½ per centum per annum, or (B) the total of one-quarter of 1 per centum added to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date on which the loan is made, and adjusted to the nearest one-eighth of 1 per centum.

"(c) There is authorized to be appropriated not to exceed \$25,000,000 which shall constitute a revolving fund to be used

by the Secretary in carrying out this section. The amount outstanding from such fund at any one time for related facilities shall not exceed \$3,000,000.

"(d) As used in this section—

"(1) the term 'housing' means (A) new structures suitable for dwelling use by migratory farm labor, and (B) existing structures which can be made suitable for dwelling use by migratory farm labor by rehabilitation, alteration, conversion, or improvement;

"(2) the term 'development cost' means costs of construction of housing and of other related facilities, and of the land on which it is located, including necessary site improvement;

"(3) the term 'construction' means erection of new structures or rehabilitation, alteration, conversion, or improvement of existing structures; and

"(4) the term 'related facilities' means (A) new structures suitable for use as dining halls, community rooms or buildings, or infirmaries or for other essential service facilities, and (B) existing structures which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement."

Sec. 2. Title V of the Housing Act of 1949 is further amended—

(1) by inserting in section 506(a) "and sections 514 and 515," immediately following the phrase "501 to 504, inclusive," each place that such phrase appears;

(2) by striking out "under this title" in section 507 and inserting in lieu thereof "under sections 501 to 504, inclusive";

(3) by inserting in section 510(c) "and section 515," immediately following the phrase "502 to 505, inclusive,"; and

(4) by adding after "section 504(b)" in section 511 the phrase "and section 515."

Sec. 3. The first paragraph of section 24 of the Federal Reserve Act (12 U.S.C. 371) is amended by inserting after "the Act of August 28, 1937, as amended" the following: "or title V of the Housing Act of 1949, as amended".

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR MEETING AT 11 O'CLOCK A.M. TOMORROW

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that when the Senate concludes its business today it meet at 11 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of New Jersey. I announce that it is contemplated that the Senate will remain in session into the evening, tomorrow, and that yeas-and-nays votes are expected tomorrow.

GREAT WHITE FLEET—RESOLUTION BY ITALIAN-AMERICAN WAR VETERANS

Mr. HUMPHREY. Mr. President, it is wonderful to note day by day the

strong support from so many Americans for the proposal to outfit a Great White Fleet of mercy ships. I ask unanimous consent that a resolution from the 24th annual national convention of the Italian American War Veterans be printed at this point in the RECORD. It relates to the proposal sponsored by the Senator from Vermont [Mr. ARKEN].

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas an imaginative and meritorious proposal has been dramatically presented on the floor of the U.S. Senate by Senator HUBERT HUMPHREY and on the floor of the House by several outstanding Congressmen to the effect that a white fleet of demoted Navy vessels be sent around the world by our Nation to render aid and assistance to any distressed area as a gesture of democracy in action; and

Whereas the commissioning of the U.S. white fleet shall demonstrate in a tangible and effective manner to the peoples of the world that we not only advocate but that we practice as well an abiding concern for our stricken brothers wherever they may reside on the face of the globe; and

Whereas each and every voyage undertaken by a white fleet sailing under the colors of Old Glory shall bring to the peoples of any nation which has sustained the misfortune of disaster an extension of America's traditional hand of human compassion; and

Whereas out of a humanitarian program of this kind, a manifold bounty of good will shall accrue upon us at a time when we—and all other freedom-loving peoples—are engaged in an all-out struggle against the insidious spread of godless communism: Now, therefore, be it

Resolved, That the Italian American War Veterans of the United States, Inc., during national convention assembled in Fall River, Mass., do strongly urge the Congress of the United States to enact legislation leading to the establishment, furnishing, and operation of a white fleet; and be it further

Resolved, That copies of this resolution be sent to the Honorable HUBERT HUMPHREY, senior U.S. Senator from Minnesota; and to the majority and minority leaders in the House and Senate.

ALBERT P. RUSSO
National Rehabilitation Officer.

DAIRY PRODUCTS—FOOD FOR PEACE

Mr. HUMPHREY. Mr. President, I am happy today to join the junior Senator from Wisconsin [Mr. PROXMIER] in the sponsorship of a bill which would set the support price for manufacturing milk and butterfat at more realistic levels, levels which would fulfill the basic purposes of the law, to support the prices of the commodities.

The junior Senator from Wisconsin has ably and concisely set forth the reasons why this increased support price is essential and just. He pointed out that the Commodity Credit Corporation stocks of dairy products were depleted. The releases and reports of the U.S. Department of Agriculture speak complacently of the fact that consumption and supplies of all dairy products are likely to be in approximate balance in 1960. There is an implication in the official statements that there is no longer a "surplus" in dairy products.

There are two points I would like to make in regard to this balance, this lack of surplus.

First, this apparent balance is not a victory for or a justification of Secretary Benson's overworked theory that lowering the support price of commodity brings the production of that commodity down to a point where the diminished supply has a price-lifting effect.

On April 1, 1954, the Secretary of Agriculture slashed the support price of manufacturing milk and butterfat from 90 percent of parity to 75 percent—from \$3.74 to \$3.15 per hundredweight.

Since that date, the production of milk has gone up every year except for the last two—and in 1958 and 1959 the price of beef cattle made it more profitable to sell the milk cows than to keep them and sell milk at Benson prices. During these past 2 years, more than 1 million head of milk cows have been removed from the farms.

Milk cows are not the only things that have moved off the dairy farms of our Nation. Hundreds of dairy farmers each year have been forced to give up their dairy enterprises. Far from being a respectable economic approach to the dairy dilemma, this is a cruel approach.

The second point I want to make relates to the consumption of milk. Milk consumption per capita has fallen from 700 pounds in 1954 to 687 pounds in 1959. If it were not for two laws passed by Congress, the Commodity Credit Corporation would be overwhelmed by dairy products today. Congress saw fit to recognize that there was an unmet demand for milk from a group whose health and well-being are of importance to every citizen in this country—the schoolchildren of America. The special milk program was enacted into law. I ask unanimous consent to insert at this point in my remarks a table showing the consumption of milk in the schools through the regular school-lunch program and the special milk programs since 1954.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Milk supply and disposition, U.S. milk equivalent (fat solids basis)—civilian disposition

Milk distribution through milk programs (regular school lunch and special milk):

| | Million pounds |
|-----------|----------------|
| 1954----- | 942 |
| 1955----- | 1,422 |
| 1956----- | 1,767 |
| 1957----- | 1,951 |
| 1958----- | 2,147 |
| 1959----- | 2,365 |

¹ Preliminary.

² Forecast.

Source: Agricultural Marketing Service, U.S.D.A.

Mr. HUMPHREY. Mr. President, in 1954 prior to the enactment of the special milk program, 942 million pounds of milk were used in the schools. With the program in effect in 1955, 1,422 million pounds were used. In 1959, school use of milk had jumped to 2,365 million pounds.

This is an additional use of milk. This is a use of our blessing of abundance.

It is true that this program was undertaken as a price support measure, and funds from the Commodity Credit Corporation are therefore used to finance. But I say that this use of milk by our schoolchildren is a source of strength to our country, and the program should be considered an essential use of a life-giving, health-giving product. It should not be charged up as a cost of the price-support program. This should not be considered as a surplus disposal use to be abandoned at some mythical point of balance between supply and demand.

In 1954 Congress approved the International Trade Development and Assistance Act, the act to which we refer as Public Law 480, but which I believe should, by act of Congress, be called the International Food for Peace Act.

Under this law, the bounteous production of our dairy farms has brought food and hope to millions of unfortunate people in the struggling, newly-developing countries of the free world. In some cases this has come about through commercial sales for local currencies. In cases of famine and dire need abroad, our dairy products have been donated to the voluntary relief agencies for distribution. In addition, quantities of dry milk have been used through UNESCO, the United Nations Economic and Social Council, for child-feeding programs under UNICEF. Since 1954, more than 2 billion pounds of dry milk have gone into this use.

The tremendous contribution toward world peace and world health cannot be valued in terms of dollars spent for price support programs.

Rather than a surplus disposal program, this use of food should be an integral part of a "food for peace" program. The charitable agencies should be able to plan their programs to achieve the maximum benefits. As long as we look on this use of food as a means of surplus disposal, the charitable agencies and UNICEF will not be able to make plans which they are sure of carrying out. The United States lost the confidence of many participating nations last year when the Department of Agriculture and Department of State failed to keep commitments to supply these groups with dry milk. Details of the dry milk fiasco of 1959 are set forth in a letter which I sent to the Secretary of Agriculture, the Secretary of State, and the Director of the International Cooperation Administration on November 11. I ask unanimous consent that this letter be inserted at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 11, 1959.

Together with a great many other people, I have been shocked by the crisis situation facing American overseas relief programs because of the sudden failure of the Department of Agriculture to supply the voluntary agencies with nonfat dry milk according to planned allocations.

Nineteen relief agencies have been helping the needy and hungry in 91 countries. Through these groups—Protestant, Catholic, Jewish, and secular—American citizens express their generous humanitarian